

Senior Institutions

1. Instruction: The three-year average of actual on-campus weighted semester credit hours for 1999-00, 2000-01 and 2001-02 is applied to the instructional multiplier. The instructional multiplier is 118.65. Remedial credit hours receive an additional 115% increment.

2. Academic Support: 5% of the amount generated for instruction.

3. Research: 2% of combined amounts for instruction and academic support plus 5% of 2000-01 sponsored research.

4. Public Service: 2% of combined amounts for instruction and academic support.

5. Library Support: Actual on-campus unweighted semester credit hours (except military science) corresponding to the weighted credit hour value multiplied by the following cost factors:

Undergraduate	\$ 9.63
Graduate I (Masters)	19.34
Graduate II (Doctoral)	82.80
Law	51.08

6. General Administration and Student Services (GA/SS): For institutions with total approved campus headcount enrollment of less than 4,000:

1 to 2,000 Headcount	\$1,182.76
2,001 to 2,999 Headcount	622.50
3,000 to 3,999 Headcount	279.95

For institutions with total approved headcount enrollment of 4,000 or greater:

First 4,000 Headcount	\$487.83
4,001 to 8,000 Headcount	365.34
Over 8,000 Headcount	328.60

The GA/SS amount is computed based on total approved headcount, then distributed proportionately among the GA/SS components of the formula funded lines of the institution.

Example: Total Approved Headcount	4,000
Main-Campus Headcount	3,800
Approved Branch Campus Headcount	200

Total GA/SS = 4,000 x 487.83 = \$1,951,320.

Main-Campus: $\frac{3,800}{4,000} \times 1,951,320 = \$1,853,754$

Approved Branch Campus $\frac{200}{4,000} \times 1,951,320 = \$97,566$

7. Maintenance of Physical Plant and Custodial Services: Gross square feet (GSF) as of June 30, 2002, multiplied by \$4.93.

8. General Institutional support: 14% of total amount generated in items 1-7.

9. Utilities: This calculation is a combination of two different calculations. The first calculation uses the highest annual consumption rate per gross square foot of E & G floor area for the last three years (July-June, 1999-00, 2000-01, and 2001-02) for heat energy and electrical energy multiplied by projected rates per energy units for 2002-03. The "other" utilities input (water, sewage, and solid waste disposal) is calculated by multiplying the actual rate of consumption per gross square foot of E & G floor area for 2001-02 by a projected rate per energy unit for 2002-03. The projected escalation factor for heating fuel, electricity and other utilities are the same as the inflation factors that were used throughout the calculation of the AP (1.016 and 1.018). The second set of calculations are made using a statewide standard, which is based on the average annual consumption rates for heating, electricity, and for other utilities combined. The standard consumption rates are then applied to the projected rates of costs for each institution. The gross E & G floor area as of June 30, 2002 then multiplies the higher of these two calculations.

10. Tuition Adjustment: A weighted average credit hour charge was calculated, using 2002-03 tuition and required fees and three-year average unweighted credit hours. Ninety percent (90%) of that rate multiplied by the three-year average of unweighted credit hours (excluding Military Science) is the tuition deduction for all institutions except Alabama A&M University and Alabama State University. For those institutions, ninety percent (90%) of their actual weighted credit hour charge is used for the tuition deduction.

For the 2003-2004 formula, the weighted per-credit-hour tuition deductions are:

General	\$111.97
Alabama A& M University	132.81
Alabama State University	90.92

Additional Components added after the Academic Program Formula calculation in order to determine the ACHE Standard

The Academic Program Formula provides only a portion of the funds needed to carry out the assignments of Alabama public colleges and universities. Additional components of funding are added to the Academic Program Formula to cover these needs.

These needs include organized research and public service (the historic “line item” activities), facilities renewal, and funds to cover Social Security and Retirement and additional funds for health insurance for the two-year institutions.

Organized Research and Public Service

Doctoral institutions receive an additional eight percent (8.0%) and nondoctoral institutions receive four percent (4.0%) of the amount they received from the academic program formula for Research. All four-year institutions receive eight percent (8.0%) of instructional costs for Public Service.

Facilities Renewal Allowance

The Facilities Renewal Allowance is calculated from a detailed formula based on the volume of physical space, construction, age and use (office, classroom, lab, etc.). Nationally estimated engineering rates for renovation and replacement are used to determine the costs factors. (Page C-13)

Fringe Benefits

Social Security (or FICA), and Retirement (TRSA), and PEEHIP (Health Insurance), are included at the reported actual expenditures of the previous year.

All of these needs, in composite, are referred to as the ACHE Standard.